



Amended and Prior Year Returns

Form 13614-C (June 2014)		Department of the Treasury— Intake/Interview	
You will need: <ul style="list-style-type: none">• Tax Information such as Forms W-2, 1099, 1098.• Social security cards or ITIN letters for all persons on your tax return.• Picture ID (such as valid driver's license) for you and your spouse.			
Part I – Your Personal Information		Form 1040X (Rev. December 2013)	
1. Your first name		Amended U.S. Individual Income Tax Return ▶ Information about Form 1040X and its separate instructions	
2. Your spouse's first name		This return is for calendar year <input type="checkbox"/> 2013 <input type="checkbox"/> 2012 <input type="checkbox"/> 2011 <input type="checkbox"/> 2010 Other year. Enter one: calendar year or fiscal year (month/year)	
3. Mailing address		Your first name and initial	
4. Telephone number		Last name	
5. Your Date of Birth		If a joint return, spouse's first name and initial	
8. Your spouse's Date of Birth		Last name	
11. Can anyone claim you as a dependent?		Home address (number and street). If you have a P.O. box, see instructions.	
12. Have you ever been convicted of a crime?		City, town or post office, state, and ZIP code. If you have a foreign address, also complete:	
Part II – Marital Status		Foreign country name	
		Foreign country name	
		Amended return filing status. You must check one box even if you are filing a joint return.	
		Caution. In general, you cannot change your filing status from joint to single, married filing separately, or head of household.	
		<input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately	
		<input type="checkbox"/> Qualifying widow(or) <input type="checkbox"/> Head of household (if the qualifying person is deceased)	



About Amended and Prior Year Returns

- Additional resources listed in L< “References” tab
- Review all tips and cautions in the lesson
- Read all examples and sample interviews
- We will review answers to each exercise



Objectives – Amended and Prior Year Returns

This lesson helps tax preparers understand how to:

- Identify when it is appropriate to prepare an amended return, Form 1040X
- Determine the time limits for filing Form 1040X
- Identify how to assemble and submit Form 1040X
- Provide guidance when preparing prior year returns
- Identify when it is appropriate to file a prior year return
- Time Required: 30 minutes

Topics



- When to amend a return
- Form 1040X
- Time limits on refunds
- Refunds and balance due
- Completing amended returns
- Prior year tax returns



Key Terms

Definitions are always available in the L< online Glossary.

- Form 1040X
- Injured Spouse Relief

When to Amend a Return

- What are some reasons a taxpayer would need to amend their return?
 - Received another Form W-2, a corrected Form W-2, or another income statement that was not reported on the original return
 - Received an additional Form 1099 (such as unemployment compensation) or a corrected Form 1099
 - Claimed their own personal exemption on the return when someone else was entitled to claim it
 - Claimed deductions or credits they should not have claimed
 - Did not claim deductions or credits they could have claimed
 - Should have used a different filing status
- When is an amended return not required?
 - Math errors – the IRS will correct them
 - The IRS notifies the taxpayer to provide missing schedules/forms – the taxpayer should respond to the contact person on the notice

When to Amend a Return

“Injured Spouse” on a joint return is not obligated for past due amounts owed by their spouse, such as child support, education loan, or prior year taxes.

- File [Form 8379](#) by itself, if it was not filed with their original return
- File Form 8379 **with** [Form 1040X](#) to claim additional refund not associated with the original injured spouse claim, to avoid having the injured spouse’s overpayment (refund) applied to the offset against the spouse

Form 8379 (Rev. November 2014) Department of the Treasury Internal Revenue Service	Injured Spouse Allocation ▶ Information about Form 8379 and its separate instructions is at www.irs.gov/form8379 .	OMB No. 1545-0074 Attachment Sequence No. 104
Part I Should You File This Form? You must complete this part.		
1 Enter the tax year for which you are filing this form. ▶ _____ Answer the following questions for that year.		
2 Did you (or will you) file a joint return?		
<input type="checkbox"/> Yes. Go to line 3.		
<input type="checkbox"/> No. Stop here. Do not file this form. You are not an injured spouse.		
3 Did (or will) the IRS use the joint overpayment to pay any of the following legally enforceable past-due debt(s) owed only by your spouse? (see instructions)		
• Federal tax • State income tax • State unemployment compensation • Child support • Spousal support		

Form 1040X

- Specify the year for which it is being submitted
- Three columns:
 - Column A – the *original* or *IRS-adjusted figures* from the original return or previous amendment
 - Column C – the correct entries
 - Column B – net change between columns A and C

Use Part III on the back to explain any changes		A. Original amount or as previously adjusted (see instructions)	B. Net change— amount of increase or (decrease)— explain in Part III	C. Correct amount
Income and Deductions				
1	Adjusted gross income. If net operating loss (NOL) carryback is included, check here <input type="checkbox"/>	1		
2	Itemized deductions or standard deduction	2		
3	Subtract line 2 from line 1	3		
4	Exemptions. If changing, complete Part I on page 2 and enter the amount from line 28	4		
5	Taxable income. Subtract line 4 from line 3	5		
Tax Liability				
6	Tax. Enter method used to figure tax (see instructions):	6		
7	Credits. If general business credit carryback is included, check here <input type="checkbox"/>	7		
8	Subtract line 7 from line 6. If the result is zero or less, enter -0-	8		
9	Other taxes	9		



Form 1040X

- Part I, Exemptions
 - Use only if the taxpayer is changing the number of exemptions being claimed on line 6d
- Part II, Presidential Election Campaign Fund
 - Make a \$3 donation for taxpayer (or spouse) if they did not originally do so
- Part III, Explanation of Changes
 - Should be concise and easy to understand
 - Examples:
 - “Taxpayer received another W-2 after they filed original return”
 - “Taxpayer meets the qualifications to file as Head of Household instead of Married Filing Separately”

Time Limits on Refunds

- If a refund is expected, taxpayers must file the amended return within three years from the due date of the original return
- There are exceptions to the three-year limit, explained in [Pub 17](#) and [Form 1040X Instructions](#), but they are out of scope. Refer taxpayers with these situations to a professional tax preparer:
 - “Financially disabled” (taxpayers rarely qualify for this status)
 - Claiming a loss on a bad debt or worthless security
 - Claiming a foreign tax credit or deduction



Refunds and Balance Due

- If the amended return results in a refund due:
 - The taxpayer must wait until the original return is processed.
 - The taxpayer can cash the original refund check, if any, while waiting for the additional refund.
 - Interest will be paid for a refund on an amended return; this interest will be taxable in the year it is received.
 - Normal processing time is 8 to 12 weeks.
- If the amended return results in a balance due:
 - Instruct the taxpayer to file by the April due date, and pay the amount due in full (or as much as possible) to minimize interest and penalties.
 - See [Form 1040X Instructions](#) for more information on payment options.



Completing Amended Returns

- The scope of preparing amended returns in the VITA/TCE programs has changed
- Follow the interview process and use the research tools to prepare an accurate amended return
- Can amend returns regardless of where the original return was prepared, using TaxWise
- Cannot be e-filed; they can be prepared electronically, but must be mailed to the IRS
- Pub 4012, Other Returns tab, [Amended Returns](#) provides step-by-step guidance



Prior Year Tax Returns

- VITA/TCE sites are not required to prepare prior year returns, but are encouraged to provide assistance for the previous three years.
 - For returns older than three years without the required materials, or if the site is unable to assist, taxpayer must seek help from a paid preparer
- Volunteer requirements:
 - Prior year returns may only be prepared by volunteers when the tax issues fall within the scope of their current level of training and certification
- Resources:
 - Prior year tax preparation software
 - A current year Form 13614-C must be completed for each prior year to help determine the scope and certification level of each return
 - Reference materials – Pubs 17 and 4012, volunteer quality alerts/volunteer tax alerts



Out of Scope for this Lesson:

- Taxpayers who may qualify for an exception to the three-year time limit for filing an amended return



Summary

- An amended return for the *current year* can be prepared using TaxWise.
- Volunteers can assist regardless of where the taxpayers filed their original return.
- Amended returns should be filed if any of the following were reported incorrectly:
 - Filing status
 - Total income
 - Deductions or credits
- Additional notes:
 - All amended returns and prior year returns before 2012 cannot be e-filed.
 - A refund on an amended return cannot be direct deposited; a check will be mailed to the taxpayer.
 - When amending the federal return, it is usually necessary to amend the state return.
 - Prior year returns may only be prepared when the tax issues come within the scope of the volunteer's current level of training and certification.

Practice

- Select the problem from Publication 4491-W based on your certification course of study
- Complete the exercise

